

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
PERFORMANCE REPORT FOR DECEMBER 2001

2/7/2002

	Assets as of December 31, 2001			*RATES OF TOTAL RETURN					
	EMV \$(000)	Actual Alloc	Policy Alloc	Quarter Ended				2002 FYTD	YR Ended 6/30/2001
				Dec-01	Sep-01	Jun-01	Mar-01		
LARGE CAP EQUITY									
Structured Growth									
Alliance Capital Management	26,220	2.3%	2.3%	15.49%	-20.69%	10.03%	-20.32%	-8.40%	-28.08%
RUSSELL 1000 GROWTH				15.14%	-19.41%	8.42%	-20.90%	-7.21%	-36.18%
Structured Value									
LSV	28,420	2.5%	2.3%	8.73%	-8.79%	8.10%	-0.19%	-0.83%	28.93%
RUSSELL 1000 VALUE				7.37%	-10.95%	4.88%	-5.86%	-4.39%	3.84%
Enhanced S&P Index (1)									
Northern Trust Global Investments	50,549	4.4%	4.5%	10.54%	-14.35%	5.69%	-11.46%	-5.32%	N/A
Strong Capital	51,640	4.5%	4.5%	11.72%	-15.98%	3.71%	-9.66%	-6.13%	N/A
Westridge Capital	54,196	4.7%	4.5%	10.90%	-14.60%	5.60%	-10.86%	-5.29%	N/A
Total Enhanced S&P Index	156,385	13.7%	13.5%	11.05%	-14.96%	5.02%	-11.43%	-5.56%	N/A
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	N/A
Enhanced Russell 1000 Index (1)									
Wilshire	51,380	4.5%	4.5%	10.79%	-15.41%	6.52%	-12.21%	-6.28%	N/A
RUSSELL 1000				11.11%	-15.23%	6.31%	-12.57%	-5.81%	N/A
S&P 500 Index									
State Street - S&P 500 Index	87,369	7.6%	7.5%	10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.75%
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.83%
TOTAL LARGE CAP EQUITY	349,774	30.5%	30.0%	11.03%	-14.80%	6.06%	-11.10%	-5.40%	-11.52%
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.83%
SMALL CAP EQUITY (2)									
SEI	100,350	8.8%	8.0%	20.00%	-20.04%	N/A	N/A	-4.05%	N/A
RUSSELL 2000 + 200 bp				21.59%	-20.29%	14.79%	N/A	-3.08%	N/A
TOTAL SMALL CAP EQUITY	100,350	8.8%	8.0%	20.00%	-20.02%	-5.80%	-6.44%	-4.02%	1.69%
RUSSELL 2000				21.09%	-20.79%	14.29%	-6.51%	-4.08%	0.57%
INTERNATIONAL EQUITY									
Intl Core									
State Street	45,379	4.0%	4.0%	7.71%	-15.06%	0.60%	-10.23%	-8.51%	-17.93%
MSCI 50% HEDGED EAFE INDEX				8.60%	-16.41%	0.15%	-10.44%	-9.22%	-17.95%
Intl Active									
Capital Guardian	46,674	4.1%	4.0%	12.46%	-17.26%	0.85%	-9.61%	-6.95%	-20.14%
MSCI 50% HEDGED EAFE INDEX				8.60%	-16.41%	0.15%	-10.44%	-9.22%	-17.95%
TOTAL INTERNATIONAL EQUITY	92,053	8.0%	8.0%	10.06%	-16.14%	0.72%	-9.66%	-7.70%	-18.81%
MSCI 50% HEDGED EAFE INDEX				8.60%	-16.41%	0.15%	-10.44%	-9.22%	-17.95%
EMERGING MARKETS									
Value - Active - Commingled									
Capital Guardian	54,601	4.8%	5.0%	29.87%	-24.96%	6.98%	-7.44%	-2.54%	-29.31%
MSCI EMERGING MKTS FREE INDEX				26.60%	-21.60%	3.90%	-5.46%	-0.75%	-25.93%
DOMESTIC FIXED INCOME									
Core Bond									
Western Asset	55,538	4.8%	4.6%	-0.15%	4.75%	1.37%	3.64%	4.59%	13.40%
LB AGGREGATE				0.05%	4.61%	0.56%	3.03%	4.66%	11.22%
Active Duration									
Criterion	55,008	4.8%	4.6%	-0.76%	3.28%	0.67%	2.67%	2.50%	12.34%
LB AGGREGATE				0.05%	4.61%	0.56%	3.03%	4.66%	11.22%
Index									
Bank of North Dakota	64,921	5.7%		-0.09%	5.01%	0.04%	3.29%	4.92%	11.04%
BND (Match Loan Program)	14,807	1.3%		1.45%	1.43%	1.45%	1.43%	2.90%	5.89%
Total Bank of North Dakota	79,728	7.0%	7.0%	0.24%	4.19%	0.37%	2.83%	4.44%	9.79%
LB GOV/CORP				0.06%	4.76%	0.30%	3.20%	4.82%	11.13%

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
PERFORMANCE REPORT FOR DECEMBER 2001

2/7/2002

	Assets as of December 31, 2001			*RATES OF TOTAL RETURN						
	EMV \$(000)	Actual Alloc	Policy Alloc	Quarter Ended				2002 FYTD	YR Ended 6/30/2001	
				Dec-01	Sep-01	Jun-01	Mar-01			
Core										
Strong Capital	60,295	5.3%	4.6%	0.45%	4.04%	1.17%	4.74%	4.51%	13.45%	
LB BAA BOND INDEX				0.35%	3.59%	0.79%	0.59%	3.95%	6.00%	
Convertibles										
TCW	59,669	5.2%	4.6%	12.91%	-16.04%	4.87%	-9.69%	-5.20%	-13.58%	
1ST BOSTON CONVERTIBLE INDEX				7.67%	-11.01%	4.12%	-6.24%	-4.18%	-11.87%	
Timberland										
Wachovia	18,159	1.6%	2.5%	0.15%	N/A	N/A	N/A	N/A	N/A	
TOTAL DOM FIXED INCOME	328,398	28.7%	28.0%	2.09%	0.42%	1.55%	1.02%	2.52%	6.87%	
LB AGGREGATE				0.05%	4.61%	0.56%	3.03%	4.66%	11.22%	
HIGH YIELD BONDS										
Western Asset	60,196	5.3%	5.0%	5.75%	-4.41%	-1.75%	3.88%	1.09%	-4.46%	
LB HIGH YIELD BOND INDEX				5.78%	-4.23%	-2.29%	6.36%	1.30%	-0.96%	
INTERNATIONAL FIXED INCOME										
Intl Core										
Brinson	54,341	4.7%	5.0%	-3.56%	7.80%	-2.51%	-5.37%	3.96%	-7.58%	
SALOMON NON-US GOV'T BOND				-3.97%	7.75%	-1.97%	-4.90%	3.47%	-7.43%	
REAL ESTATE (3)										
JMB	915	0.1%		-15.82%	2.13%	1.19%	0.18%	-14.03%	1.92%	
TCW	4	0.0%		-10.72%	-4.64%	-8.63%	8.33%	-14.86%	25.25%	
INVESCO	33,282	2.9%		12.63%	10.90%	2.09%	8.35%	24.91%	13.52%	
J.P. Morgan	28,090	2.5%		1.23%	1.47%	2.41%	1.91%	2.72%	10.27%	
TOTAL REAL ESTATE	62,292	5.4%	5.0%	7.47%	6.76%	2.22%	5.20%	14.73%	11.92%	
NCREIF PROPERTY INDEX				1.58%	1.75%	2.26%	2.28%	3.36%	11.15%	
PRIVATE EQUITY (3)										
Brinson IVCF II	361	0.0%		-11.17%	-18.72%	-1.37%	-14.27%	-27.79%	-32.28%	
Coral Partners II	345	0.0%		-31.45%	-27.90%	9.90%	-25.07%	-50.57%	-49.84%	
Coral Partners V	12,048	1.1%		-11.30%	-34.09%	-1.35%	-1.54%	-41.54%	19.29%	
Coral Partners Supplemental V	474	0.0%		-0.92%	N/A	N/A	N/A	N/A	N/A	
Brinson 1998 Partnership Fund	2,166	0.2%		-11.87%	-3.49%	-11.40%	-7.87%	-14.95%	-3.63%	
Brinson 1999 Partnership Fund	2,539	0.2%		-11.39%	-1.32%	-7.40%	-5.26%	-12.56%	-4.36%	
Brinson 2000 Partnership Fund	3,721	0.3%		-4.11%	-0.50%	-2.89%	-1.42%	-4.59%	2.74%	
Brinson 2001 Partnership Fund	506	0.0%		-1.75%	-0.12%	1.13%	0.02%	-1.87%	N/A	
Brinson 1999 Non-US Partnership Fund	917	0.1%		-0.95%	-1.98%	-3.16%	2.55%	-2.91%	2.24%	
Brinson 2000 Non-US Partnership Fund	680	0.1%		2.67%	-1.98%	-3.50%	-0.37%	0.64%	-7.03%	
Brinson 2001 Non-US Partnership Fund	320	0.0%		0.66%	0.66%	0.66%	N/A	1.32%	N/A	
Brinson BVCF IV	6,069	0.5%		-3.90%	-11.21%	-3.31%	-3.49%	-14.67%	-11.46%	
Hearthstone	2,716	0.2%		3.57%	2.94%	8.16%	0.00%	6.62%	8.17%	
TOTAL PRIVATE EQUITY	32,862	2.9%	5.0%	-7.28%	-16.22%	-2.20%	-3.01%	-22.32%	2.62%	
POST VENTURE CAPITAL INDEX				29.99%	-35.63%	23.87%	-31.48%	-16.33%	-48.23%	
CASH EQUIVALENTS										
TNT Short Term Extendable Portfolio	10,550	0.9%	1.0%	0.49%	1.03%	1.34%	1.27%	1.53%	5.91%	
90 DAY T-BILLS				0.64%	1.08%	1.12%	1.51%	1.73%	5.90%	
TOTAL FUND	1,145,415	100.0%	100.0%	7.42%	-8.33%	3.68%	-4.57%	-1.53%	-4.12%	
POLICY TARGET BENCHMARK				8.60%	-8.68%	4.37%	-5.71%	-0.82%	-6.47%	
TOTAL VALUE ADDED DUE TO										
Asset Mix				-2.50%	2.00%	-0.33%	0.92%	-0.56%	2.01%	
Active Management				1.45%	-1.58%	-0.33%	0.29%	-0.16%	0.49%	
Total Value Added				-1.05%	0.41%	-0.66%	1.21%	-0.71%	2.50%	

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

***NOTE:**

Monthly returns and market values are preliminary and subject to change.

Returns are net of investment management fees.